

GALWAY INDUSTRIAL MARKET

Q4 2019



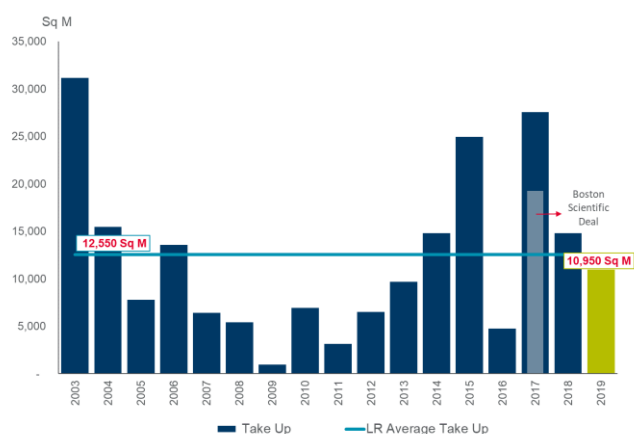
Occupier Activity

Occupier activity in the Galway industrial market totalled 10,950 sq m, across 7 deals, in 2019. This falls below the long run average take up of 12,550 sq m, and indeed 26% below activity levels witnessed in 2018. However, with supply in the Galway market at such a pinch point, this is unsurprising.

Take up in 2019 was dominated by one particularly large occupation, totaling 7,500 sq m. Units 20- 24, Mervue Business Park, were occupied by an American multinational company in the third quarter of the year.

In line with historical trends, and indeed trends in availability, the North East region dominated take up in 2019. All deals in the year were leasehold transactions, and largely under 500 sq m in size.

Annual Take Up (Sq M) 2003 - 2019



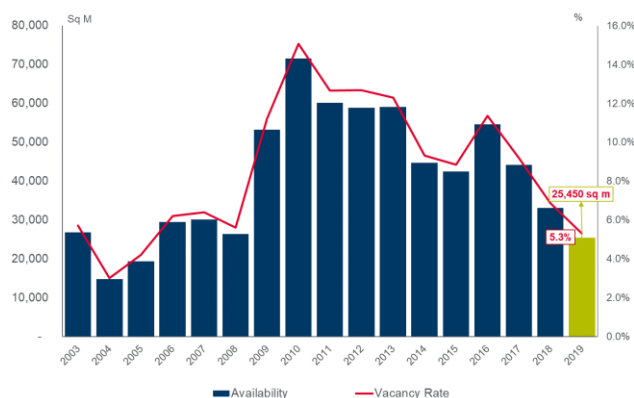
Availability

At the end of 2019, availability in the Galway industrial market stood at 25,450 sq m. This is down 23% on 2018, and the lowest level since 2008. The corresponding vacancy rate fell to 5.3%, from 6.9% in 2018. These low levels of availability may be hampering take up in the Galway market.

Grade A space accounted for 33% of availability at the end of 2019, whilst Grade B units accounted for 66%. Just one Grade C space was available, accounting for the remaining 1%.

Adding to the lack of high-quality units available, occupiers requiring larger spaces are also limited in their options, with just one unit greater than 5,000 sq m available. Of the remaining sixteen units available, seven are between 1,000 and 5,000 sq m in size, and nine are sub 1,000 sq m in size.

Availability (Sq M) & Vacancy Rate (%) 2003 - 2019



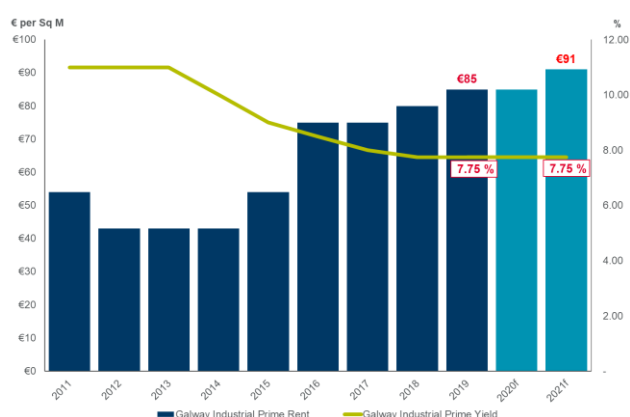
Development Activity

Despite the shortages evident in the Galway industrial market, development activity remains subdued. Construction continued on a 3,250 sq m Design & Build unit at Parkmore East Business Park. This is due for completion in 2020.

"It is likely that speculative development of industrial units in Galway will remain limited until there is consistent evidence of rental growth in the market. In the interim, new product will be delivered primarily through a design a build process or through renovation of existing buildings."

Seán Coyne, Divisional Director, Cushman & Wakefield Galway

Rental Forecasts





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